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TO: Marylin E. Atkins, Chief Judge  
36<sup>th</sup> District Court

FROM: Irvin Corley, Jr., Fiscal Analysis Director

DATE: May 4, 2007

RE: 2007-2008 Budget Analysis

14.

Attached is our budget analysis regarding your department's budget for the upcoming 2007-2008 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing. We would then appreciate a written response to the issues/questions at your earliest convenience subsequent to your budget hearing. Please forward a copy of your responses to the Councilmembers and the City Clerk's Office.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

IC:ss

Attachment

cc: Councilmembers  
Council Divisions  
Auditor General's Office  
Roger Short, Finance Department Director  
Pamela Scales, Budget Department Director  
Ervin Stewart, Budget Department Team Leader  
Thomas D. Clark, Court Controller-36<sup>th</sup> District Court  
Kandia Milton, Mayor's Office

## **36<sup>th</sup> District Court (60)**

### **FY 2007-2008 Budget Analysis by the Fiscal Analysis Division**

#### **Summary**

The 36<sup>th</sup> District Court is a Judicial General Fund Agency. The Mayor's 2007-2008 Proposed Budget includes \$44.7 million in appropriations for this Department. This amount reflects an increase of \$2.0 million or 4.7% from the 2006-2007 budget of \$42.7 million. The Mayor's 2007-2008 Proposed Budget also includes \$23.0 million in revenues, which is a \$1.1 million or 4.6% decrease from the 2006-2007 budgeted amount of \$24.1 million.

#### **2006-2007 Surplus/(Deficit)**

The estimated deficit for the 36<sup>th</sup> District Court in fiscal year 2006-2007 is \$3.0 million. This is attributable to salary deficit for over-encumbered positions (\$670,000) and a revenue deficit for Ordinance Fines (\$2,300,000).

#### **Overtime**

There is \$225,000 of budgeted salary overtime expenditures in the Mayor's 2007-2008 Proposed Budget, which is equal to the overtime budgeted in fiscal year 2006-2007. As of March 31, 2007, the Department has expended \$157,638 on overtime with a remaining balance of \$67,362 for fiscal year 2006-2007.

#### **Personnel and Turnover Savings**

There are no projected personnel or turnover savings for fiscal year 2007-2008 in the 36<sup>th</sup> District Court.

#### **Proposed Layoffs and Position Changes**

The Mayor's 2007-2008 Proposed Budget does not include any layoffs or position changes for the 36<sup>th</sup> District Court.

| <u>Appropriation/Program</u>     | <u>Budgeted<br/>Positions<br/>FY 2006-07</u> | <u>Filled<br/>Positions<br/>3/31/2007</u> | <u>Mayor's<br/>Budget<br/>Positions<br/>FY 2007-08</u> | <u>Over/(Under)<br/>Actual to<br/>06/07 Budget</u> | <u>Mayor's<br/>Recommended<br/>Turnover</u> |
|----------------------------------|--|---|--|--|---|
| <b>36th District Court (60):</b> |  |   |  |  |   |
| <b>00393 District Court</b>      | <b>31</b>                                    | <b>31</b>                                 | <b>31</b>  | <b>0</b>   | <b>\$ -</b>                                 |
| 600015 Civil                     | 0  | 0   | 0  | 0  | \$ -  |
| 600020 Traffic                   | 0  | 0   | 0  | 0  | \$ -  |
| 600025 Docket Control            | 0  | 0   | 0  | 0  | \$ -  |
| 600033 Probation                 | 0  | 0   | 0  | 0  | \$ -  |
| 600045 Information Services      | 0  | 0   | 0  | 0  | \$ -  |

|  |                   |                  |                   |                     |                  |                 |
|--|-------------------|------------------|-------------------|---------------------|------------------|-----------------|
| 600055 Real Estate                       | 0                 | 0                | 0                 | 0                   | \$               | -               |
| 600065 Criminal                          | 0                 | 0                | 0                 | 0                   | \$               | -               |
| 600070 Chief Judge                       | 0                 | 0                | 0                 | 0                   | \$               | -               |
| 600075 Personnel                         | 0                 | 0                | 0                 | 0                   | \$               | -               |
| 600080 Judicial Assistant                | 0                 | 0                | 0                 | 0                   | \$               | -               |
| 600085 Procurement                       | 0                 | 0                | 0                 | 0                   | \$               | -               |
| 600090 Fiscal Services                   | 0                 | 0                | 0                 | 0                   | \$               | -               |
| 600095 Central Records                   | 0                 | 0                | 0                 | 0                   | \$               | -               |
| 600100 Court Administration              | 0                 | 0                | 0                 | 0                   | \$               | -               |
| 600105 Employee Relations                | 0                 | 0                | 0                 | 0                   | \$               | -               |
| <b>05715 State Transferred Functions</b> | <b>361</b>        | <b>0</b>         | <b>361</b>        | <b>(361)</b>        | <b>\$</b>        | <b>-</b>        |
| 60XXXX Worker's Comp.                    | <u>0</u>          | <u>0</u>         | <u>0</u>          | <u>0</u>            | <u>\$</u>        | <u>-</u>        |
| <b>TOTAL</b>                             | <b><u>392</u></b> | <b><u>31</u></b> | <b><u>392</u></b> | <b><u>(361)</u></b> | <b><u>\$</u></b> | <b><u>-</u></b> |

#### Significant Funding Changes by Appropriation

| <u>Appro.</u> | <u>Program</u>                                   |   |
|---------------|--|---|
| 00663         | 36 <sup>th</sup> District Security Reimbursement | The appropriation increase of \$388,990 is due to increased costs for the Detroit Police security services provided to the Court as a result of higher police salaries and benefits.                            |
| 00393         | District Court                                   | The appropriation for 36 <sup>th</sup> District Court judges increase by \$295,300 primarily due to the increase in employee benefits, offset a decrease in telecommunications and purchased services – jurors. |
| 11194         | Drug Court                                       | The decrease of \$100,000 in contract services is based on an estimated reduction in cases that fund the Drug Court.  |
| 05715         | State Transferred Functions                      | The appropriation increase of \$1,412,603 is due to increases in pension and fringe benefits.   |

#### **36th District Court of Detroit (60)**

| Budgeted Professional and               | FY 2006-07                 | FY 2007-08                 | Increase                |
|---|----------------------------|----------------------------|-------------------------|
| <u>Contractual Services by Activity</u> | <u>Budget</u>              | <u>Recommended</u>         | <u>(Decrease)</u>       |
| District Court                          | \$ 1,861,050               | \$ 1,761,050               | \$ (100,000)            |
| State Transferred Functions             | <u>241,470</u>             | <u>400,000</u>             | <u>158,530</u>          |
| <b>Total</b>                            | <b><u>\$ 2,102,520</u></b> | <b><u>\$ 2,161,050</u></b> | <b><u>\$ 58,530</u></b> |

### Significant Revenue Changes by Appropriation

| <u>Appro.</u> | <u>Program</u>              |   |
|---------------|-----------------------------|---|
| 05715         | State Transferred Functions | The decrease of \$1,119,750 is due to decrease of \$1,540,000 in Ordinance Fines and an increase of \$210,000 and \$750,250 for Court Fines and Other Fees, respectively. |

### Issues and Questions

1. When does the 36<sup>th</sup> District Court plan to implement the new Interactive Voice Response (IVR) system if the purchase of new technology is on hold?
2. How will the lack of funding for all positions affect operations for 36<sup>th</sup> District court?
3. How does the court plan to increase police officer attendance in court for traffic violations, so that cases are not dismissed?
4. A \$3 million deficit is projected for the court for fiscal year 2006-2007. In the proposed 2007-2008 budget, revenues are projected to decrease \$1.1 million and expenses are budgeted to increase \$2.0 million. What steps will the court take to stay within the proposed budget?
5. The proposed budget for fiscal year 2007-2008 provides for 392 employees. The actual number of employees at April 1, 2007 was 420. Please explain why there are 28 more people on the payroll than budgeted at April 1<sup>st</sup>. Does the court anticipate any reduction in the actual number of employees, and if so, how many?

/ss